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Proposed Attorneys for Chapter 11 Debtor and
Debtor-in-Possession

FILED & ENTERED

MAR 23 2021

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY **duarte** DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re:

THE SOURCE HOTEL, LLC, a
California limited liability company,

Debtor and Debtor in Possession.

Case No.: 8:21-bk-10525-ES

Chapter 11

**INTERIM ORDER GRANTING MOTION
FOR ENTRY OF AN ORDER: (A)
REQUIRING TURNOVER OF ESTATE
CASH BY EVERTRUST BANK; (B)
AUTHORIZING DEBTOR TO USE CASH
COLLATERAL; AND (C) AUTHORIZING
DEBTOR TO OBTAIN POST-PETITION
FINANCING FROM M+D PROPERTIES
ON AN UNSECURED BASIS**

Hearing:

Date: March 23, 2021
Time: 10:00 a.m.
Place: ZoomGov

1 A hearing was held on March 23, 2021 at 10:00 a.m., before the Honorable Erithe A.
2 Smith, United States Bankruptcy Judge for the Central District of California, Santa Ana
3 Division, in Courtroom “5A” located at 411 West Fourth Street, Santa Ana, California 92701
4 (via ZoomGov), to consider the motion (the “Motion”) filed by The Source Hotel, LLC, a
5 California limited liability company and the debtor and debtor-in-possession in the above-
6 captioned Chapter 11 bankruptcy case (the “Debtor”), for the entry of an interim order, pending a
7 final hearing: (A) requiring Evertrust Bank (“Evertrust”) to turn over and deliver to the Debtor
8 cash belonging to the Debtor and its bankruptcy estate; (B) authorizing the Debtor to use cash
9 collateral in accordance with the Debtor’s proposed 13-week operating budget (the “Budget”), a
10 true and correct copy of which is attached as Exhibit “A” to the Declaration of Donald Chae (the
11 “Chae Declaration”) annexed to the Motion; and (C) authorizing the Debtor to obtain post-
12 petition financing up to \$100,000 on a general unsecured basis (the “DIP Loan”) from the
13 Debtor’s affiliate and non-member Manager, M+D Properties, a California corporation
14 (“M+D”), on an as-needed basis to cover any shortfalls in the Budget. Appearances at the
15 hearing on the Motion were made as noted on the record of the Court.

16 The Court, having considered the Motion and all papers filed by the Debtor in support of
17 the Motion, the responses to the Motion filed by Evertrust and Shady Bird Lending, LLC
18 (“Shady Bird”), and the reply to such responses filed by the Debtor, the oral arguments,
19 statements and representations of counsel made at the hearing on the Motion, and all matters of
20 record in the Debtor’s Chapter 11 bankruptcy case, proper and adequate notice of the Motion and
21 the hearing on the Motion having been provided, finding that the relief requested in the Motion is
22 necessary to avoid immediate and irreparable harm, and other good cause appearing therefor,

23 IT IS HEREBY ORDERED AS FOLLOWS:

24 A. The Motion is granted on an interim basis.

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B. Evertrust is hereby ordered to immediately turn over and deliver to the Debtor all of the funds contained in the following three (3) bank accounts at Evertrust:

Account No.	Cash Balances
-0272	\$32,572.98
-1348	\$2,674.05
-5539	\$25,783.64
Total:	\$61,030.67

C. The Debtor is authorized to use cash collateral, on an interim basis pending a final hearing, to pay (i) all of the expenses set forth in the Budget, with authority to deviate from the line items contained in the Budget by up to 10%, on both a line item and aggregate basis, with any unused portions to be carried over into the following week(s) and (ii) all quarterly fees owing to the Office of the United States Trustee and all expenses owing to the Clerk of the Bankruptcy Court.

D. As adequate protection to Shady Bird on account of the Debtor's use of cash collateral, Shady Bird shall be granted a valid, enforceable, non-avoidable and fully perfected first priority replacement lien on, and security interest in, the Debtor's post-petition assets, including cash ("Replacement Lien"), to the extent of any diminution in value of Shady Bird's interest in the Debtor's pre-petition collateral, and to the same extent, validity, scope and priority of Shady Bird's pre-petition lien.

E. This Interim Order is without prejudice to the request of Shady Bird for any modification of, or further or different, adequate protection, nor to the right of the Debtor to oppose any such request.

F. The Debtor is authorized to obtain the DIP Loan from M+D in an amount up to \$100,000, at the discretion of M+D, to cover any shortfalls in the Debtor's Budget.

G. A final hearing regarding the Motion will be held on May 6, 2021 at 10:30 a.m.

H. Any supplemental pleadings in support of the Motion must be filed by the Debtor by April 15, 2021.


1 I. Any response to any supplemental pleadings filed in support of the Motion must
2 be filed by April 22, 2021.

3 J. Any reply to any response to supplemental pleadings filed in support of the
4 Motion must be filed by April 29, 2021.

5 IT IS SO ORDERED.

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24 Date: March 23, 2021


Erithe Smith
United States Bankruptcy Judge